



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURE IN THE MANITOWOC COMPANY INC.'S PROPOSAL TO ACQUIRE GROVE INVESTORS INC.

Department Preserves Competition in the Boom Trucks Industry

WASHINGTON, DC — The Department of Justice today announced that it will require Wisconsin-based The Manitowoc Company Inc. to divest either its own or the Pennsylvania-based Grove Investors Inc.'s boom truck business in order for Manitowoc to proceed with its proposed \$270 million acquisition of Grove. The Department said the acquisition, as originally proposed, would have substantially lessened competition by combining two of only three major producers of medium- and heavy-lift boom trucks in North America.

The Department's Antitrust Division filed a lawsuit today in U.S. District Court in Washington, D.C., to block the proposed transaction. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the lawsuit and the Department's competitive concerns.

"The divestiture of either Manitowoc's or Grove's boom truck business ensures that consumers will continue to benefit from competitive rivalry through lower prices, higher quality, and continued innovation," said Charles A. James, Assistant Attorney General in charge of the Department's Antitrust Division.

Grove (through its subsidiary, National Crane Corp.) and Manitowoc are, respectively, the largest and third largest producers of medium- and heavy-lift boom trucks in North America,

and together account for more than 60 percent of all medium- and heavy-lift boom trucks sold in this market. After the acquisition, Manitowoc and one other competitor would account for more than 90 percent of all medium-and heavy-lift boom trucks sold in North America.

A “boom truck” is a stiff boom telescopic crane mounted on a standard flat-bed commercial truck chassis. This general-purpose mobile crane has a broad range of applications in the construction, petroleum, and utility industries.

The proposed consent decree requires Manitowoc to divest its own or Grove’s boom truck business to a purchaser acceptable to the Department. If Manitowoc cannot sell either boom truck business to an acceptable purchaser within the prescribed time period, the decree provides for the appointment of a trustee to complete the ordered divestiture.

Manitowoc, based in Manitowoc, Wisconsin, is a publicly held conglomerate that makes commercial refrigeration equipment, lake-going freighters, and various types of stationary and mobile cranes. It reported total revenues of more than \$1.2 billion in 2001. Manitowoc produces medium- and heavy-lift boom trucks in a manufacturing facility in Georgetown, Texas.

Grove, based in Shady Grove, Pennsylvania, produces all types of mobile cranes, including hydraulic truck-mounted, all-terrain and rough terrain cranes. Its National Crane subsidiary produces medium- and heavy-lift boom trucks and other products at a factory in Waverly, Nebraska. In 2001, Grove reported revenues in excess of \$713 million.

As required by the Tunney Act, the proposed consent decree, along with the Department's Competitive Impact Statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed decree during a 60-day comment period to J. Robert Kramer II, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW, Suite 3000, Washington, D.C. 20530.

At the conclusion of the 60-day comment period, the Court may enter the consent decree upon a finding that it serves the public interest.

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